



Department of Defense



***National Security
Personnel System***

NSPS Overview

Presented to the Air Force
Association Air & Space Conference and
Technology Expo

Mr. Michael Dominguez
Assistant Secretary of the Air Force
for Manpower and Reserve Affairs

September 12, 2005

- A flexible, agile, and responsive personnel system to manage DoD civilians in today's environment
- Provides the Department with tools to shape a more effective and efficient workforce
 - Performance management that values performance, rewards contribution and promotes excellence
 - Streamlined and more responsive hiring process
 - Flexibility in assigning work
 - Preservation of employee benefits, rights and protections

- November 2003, Congress granted DoD broad authority to establish a new human resources management system to support its critical national security mission
- Early 2004, DoD adopted acquisition management model for NSPS program
 - Program Executive Office established for design and implementation (“build and buy”)
 - MAJCOMs and SYSCOMs operate, maintain and incrementally improve
 - Oversight and guidance from senior leadership
 - Partnership with OPM
- Issued proposed NSPS regulations on February 14, 2005

- Received ~58,000 comments from citizens, employees, unions, DoD organizations, other Federal agencies, public interest groups, & members of Congress
- Testified before:
 - Senate Subcommittee on Oversight of Government Management, the Federal Workforce and the District of Columbia, Committee on Homeland Security and Governmental Affairs, March 15, 2005
 - House Subcommittee on Federal Workforce and Agency Organization, Committee on Government Reform, April 12, 2005
 - Senate Committee on Armed Services, April 14, 2005
- Engaged in “meet and confer” (April 18 – June 16) with employee unions to attempt to find common ground
- Over 40 changes in Federal Register Notice

- Merit System Principles
- Rules against prohibited personnel practices
- Whistleblower protection
- Veterans Preference
- Benefits (retirement, health, life, etc.)
- Anti-discrimination laws
- Fundamental due process
- Allowances and travel/subsistence expenses
- Training
- Leave and work schedules
- Other personnel systems in law
- Lab Demo organizations (until FY 08)



What's Changing?

	System Element	Current	Proposed
Pay	Performance-based pay	Within-grade step increases based on longevity	Individual increases based on performance
	Market-based pay	Based on location; one size fits all	Based on location, tailored to occupations
Disciplinary Actions	Disciplinary actions	Merit Systems Protection Board can lessen penalties	MSPB can lessen penalties only in most extreme circumstances
	Mandatory Removal Offenses	None today	Secretary may define list of offenses that require termination
	Employee appeals	Merit Systems Protection Board adjudicates employee appeals	MSPB AJ's hear appeals using NSPS rules
Collective Bargaining	Changes to work assignments	Must bargain with local unions prior to acting	Scope of collective bargaining limited with no delay in acting
	Labor-management disputes	Federal Labor Relations Authority decides disputes	Agency board appointed by Secretary decides disputes
	Work changes based on preparing or preventing emergencies	Must bargain with unions prior to acting	Scope of collective bargaining limited with no delay in acting
	Determine performance-based pay rules	Must bargain with unions	No bargaining required

- NSPS provides an opportunity for greater union involvement in workforce issues
- Unions are encouraged to take advantage of these processes and benefits they offer
- Authority to bargain at national level, multi-unit
- Scope of bargaining narrowed
 - Content of DoD and Military Department implementing issuances are no longer bargainable
 - ✓ Unions may still bargain impact
 - Implementing issuances subject to continuing collaboration

- Designed to recognize need for workplace accountability, provide efficient tools for dealing with performance and conduct issues, and protect rights of employees
- Single process for taking adverse actions based on performance and/or conduct
- Streamlined 15-day notice/10-day reply period
- Ensures due process
- Allows Secretary to designate Mandatory Removal Offenses (MROs)

- Provides for streamlined, efficient appeals process that provides deference to DoD's critical national security mission, while preserving employee protections and due process.
- Expedited appeals process, using MSPB administrative judges (AJ), with improved procedures
- Provides for DoD review of decisions
- Single burden of proof standard: preponderance
- Mitigation by MSPB permitted only with proper consideration of mission impact
- Judicial review retained

Staffing—the right person,
in the right place, at the
right time

- DoD Hiring Authorities
- Ability to streamline the hiring process
- Pay setting flexibilities
- DoD qualification requirements
- Veterans' Preference rights protected

RIF—streamlined, mission
responsive

- Less Disruption
- More Emphasis on Performance
- Bump and retreat combined into displacement
- Veterans' Preference rights protected

<p>Classification— simple, flexible</p> <ul style="list-style-type: none">■ Career Groups■ Pay Schedules■ Broad Pay Bands■ Simplified Classification Guidance■ DoD Series	<p>Compensation— performance based, market sensitive</p> <ul style="list-style-type: none">■ Rate range adjustments■ Performance pay out■ Local market supplement■ No change to incentive awards	<p>Performance Management— linked to Agency mission</p> <ul style="list-style-type: none">■ High Performing workforce■ Pay increases■ Includes conduct and professional demeanor■ Standard performance factors
---	---	---

- Performance management system designed to:
 - Foster high-performing culture;
 - Encourage employee engagement and robust communication, and
 - Enhance overall effectiveness of DoD
- Supervisors work with employees to establish performance goals and expectations, aligned with mission-related goals
- Performance objectives need to be specific, measurable, acceptable, realistic, and timely
- Ongoing feedback and communication between supervisor and employees



Who is Affected by NSPS?

- NSPS Human Resources System (Pay, performance, hiring, RIF, adverse actions, and appeals provisions)
 - Vast majority of DoD employees eligible for coverage: initially apply only to selected General Schedule employees in Spiral One organizations with certain categories excluded (e.g., intelligence personnel, Defense Labs)
 - Employees in special pay/classification systems (e.g., wage grade) will be phased in later
- NSPS Labor Relations System
 - Applies to all employees and labor organizations currently covered by Chapter 71 of title 5
 - Will be implemented across entire Department when final regulations are effective

- Target audiences
 - Employees
 - Senior leaders, managers, supervisors, pay pool and managers/administrators
 - HR and LR practitioners
- Dual focus
 - Functional training on NSPS system
 - Soft Skills
- Learning objectives
 - Educate employees about NSPS
 - Teach skills and behaviors necessary to implement and sustain NSPS

Promote a culture that focuses on results, values performance, rewards contributions, and promotes excellence

- Spiral One Rollout – GS, GM, AcqDemo, Navy Alternative Personnel System employees; CONUS, AK and HI only
 - Spiral 1.1 – 69,000
 - Spiral 1.2 – 48,000
 - Spiral 1.3 – 152,000
 - Total Spiral One – 269,000
- Spiral Two – rest of workforce including WG employees
- Spiral Three – DoD laboratories should legislative restrictions be eliminated

- Conversion Adjustment – WGI Buyout
- January 2006 Pay Adjustment for Spiral 1.1
- Protection of Pay Pool Funding

- Publish Regulations and move into Continuing Collaboration on Implementing Issuances
- Roll out training to key audiences
- Support Components with implementation activities
- Prepare for integration of additional Spirals

- A modern, flexible, and agile human resource system
 - Responsive to the national security environment
 - Preserves employee protections and benefits

*“ NSPS is a win-win-win system ...
a win for our employees, a win for our
military and a win for our Nation.”*

*Honorable Gordon R. England
NSPS Senior Executive
January 2005*

Questions ?

www.cpms.osd.mil/nsps